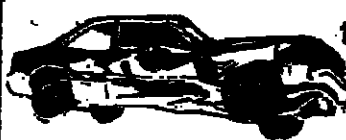




Drive Carefully
better to be late
than the late



Treasury's budget-cut plans still stalled on defence issue

By AVI TEMKIN and HIRSH GOODMAN
Jerusalem Post Reporters

A decision to reopen negotiations on the Defence Ministry budget is threatening plans approved by the cabinet last Friday to cut \$375 million from the state budget.

The budget slash is also being threatened by the increasing costs of maintaining subsidies during the price freeze, and by demands on the Treasury to free sums for investment support purposes.

Cuts approved by the cabinet include a \$100m. slash from the Defence Ministry budget.

Originally the Treasury wanted to cut \$550m. from the national budget, including \$150m. from defence.

The \$100m. compromise was reached by a seven-minister committee composed of Prime Minister

Peres, Defence Minister Rabin, Foreign Minister Shamir, Finance Minister Moda'i, Economic Minister Ya'acobi and Ministers without Portfolio Weizman and Arens.

But there are still differences between the Defence and Finance Ministries, and yesterday they decided to send the cuts issue back to the committee of seven.

A meeting yesterday between the Defence and Finance Ministries ended with the sides \$500m. apart as regards the size of the defence budget, defence sources who were at the meeting said. This gap is so vast, they said, as to make compromise virtually impossible.

The defence ministry will not accept a local budget of less than \$2.7 billion - which would represent a cut of \$500m. from the August, 1983, level of \$3.2b. "There is simply no way we can go any further with-

out compromising Israel's essential security needs," according to a highly placed defence official.

Talks on cutting the defence budget have been going on for some three weeks now. Last week, when the sides seemed close to agreement, the talks broke down over the dollar value of the budget.

The Defence Ministry said that any cuts previously agreed to had been from a figure of \$2.925b, while the Treasury claimed that the figure was around \$2.2b. only. The difference stems from the way linkage is applied to the shekel value of the budget in April, 1984.

The Treasury has already indicated that it will not agree to any compromise on the defence cuts. Any compromise would not only frustrate defence budgetary matters, it might also reduce the amount the

(Continued on Page 2, Col. 5)

Shamir tells Knesset:

'Debating the PLO is beneath our dignity'

By ARYEH RUBINSTEIN
Post Knesset Reporter

Jordan and Egypt must choose between peace and support for the PLO, Vice Prime Minister and Foreign Minister Yitzhak Shamir said yesterday.

Replying to the policy debate opened by the prime minister on Monday, Shamir said that it is beneath the dignity of the Knesset to discuss "the terror organization known as the PLO" or the forum connected with it, the Palestinian National Council.

The PLO's true intentions were once again presented, this time by his deputy, Abu Iyad, at the PNC meeting in Amman, Shamir said.

"Every one of us wants the return of Jaffa, of every centimetre of Palestinian land," Shamir quoted Abu Iyad as saying. "We have said before that we want a secular, demo-

cratic state in all of Palestine. We have not gone back on that. But every stage in its time... The Zionists took Palestine step by step, and we must restore it step by step."

Shamir said there is a national consensus that there shall be no political contact whatsoever with the PLO. It is not a partner to any political process and it is the foremost obstacle to peace, he declared.

Those Arab leaders who proclaim their desire for an accommodation now have the opportunity to free themselves of the PLO's stranglehold and at long last to find a common way for peaceful co-existence with Israel, Shamir said.

He said that these remarks were addressed to Jordan in particular. This is a state whose people are largely Palestinians from western Eretz Yisrael, Shamir said, and the PLO had never concealed its hostile-

(Continued on Page 3)

Shamir in low-key reaction to Egypt's 'mixed signals'

By DAVID LANDAU
Post Diplomatic Correspondent

The government has decided to be slow, cautious and low-key in its reaction to the Mubarak-Husseini communique of Monday, even though the communique seemed to deviate sharply from Camp David.

Senior officials cited "mixed and contradictory signals coming from Cairo to explain the Israel government's deliberate reticence.

This reticence was especially evident yesterday when, contrary to expectations, Vice Premier and Foreign Minister Yitzhak Shamir made no reference to the joint communique in a policy statement to the Knesset.

Shamir was winding up a two-stage House debate on foreign affairs which began on Monday, be-

fore the Egypt-Jordan communique was issued.

The officials noted Prime Minister Kamal Hassan Ali's statement this week that the joint communique represented not a deviation from Camp David but rather Egypt's interpretation of Camp David, to which Cairo continues to adhere, as a clear attempt to quell Israeli anxieties.

They noted too that Egypt's Minister of State for Foreign Affairs Butros Ghali, in a weekend interview with *The Jewish Chronicle*, had been meticulously careful in his formulations. Ghali called for four-party talks comprising Israel, Egypt, Jordan and the Palestinians - a pattern akin to that envisaged in Camp David.

On the other hand, there have

(Continued on Back Page)

Moda'i plans to outlaw injection of money

By AVI TEMKIN
Post Economic Reporter

The Finance Ministry plans to initiate legislation to limit or even forbid printing of money to finance government operations, Finance Minister Yitzhak Moda'i revealed yesterday.

Speaking at a Jerusalem press conference, Moda'i also said that by the end of this month he will present his plans for steps to be taken after the economic package deal runs out in early February.

Even if a new package deal is signed, the finance minister said, it will be different from the current one. He acknowledged that the manufacturers will not agree to extend the price freeze.

Moda'i says he does not rule out linking the economy to a foreign currency, but said stability could be achieved without such a step.

Presenting a three-page outline of the principles of his policies, Moda'i said that his long-range goal is to resume rapid economic growth.

In contrast to his predecessors' stated policies, Moda'i said that in the short-term he is not aiming for full employment but what he called "a reasonable level of employment."

Until growth begins again, the minister said, there will be pockets of unemployment and people out of work for short periods between jobs.

Moda'i also listed further improvement in the balance of payments and slowing inflation as goals of his policy.

He admitted that in the short run the government would be unable to reduce its intervention in the capital market. But he said there are plans to sell a large part of the 200 government corporations.

The state of the economy, Moda'i said, makes it necessary to repeal some welfare legislation and to stop paying National Insurance allowances to those who are not needy.



Prime Minister Shimon Peres is welcomed by French Premier Laurent Fabius on arrival in Paris yesterday. (GPO)

Peres arrives in Paris, sees Mitterrand today

By ASHER WALLFISH
Jerusalem Post Correspondent and Agencies

PARIS. - Prime Minister Peres, arriving here yesterday for the first official visit of an Israeli head of government since David Ben-Gurion was received by President de Gaulle, met for 45 minutes with Premier Laurent Fabius. They discussed economic and scientific cooperation between Israel and France. No details were available.

Peres arrived at Orly Airport shortly before noon, where he was welcomed by Fabius and a company of presidential guards.

Later the Israeli prime minister told a group of French parliamentarians that he is prepared to travel at any time, to any Arab capital, to talk peace without conditions. He was given a standing ovation by the sena-

tors and deputies, and House Speaker Louis Mermaz said that the welcome symbolized French feelings for Israel.

In his speech, Peres said that the PLO leader Yasser Arafat had changed the site of the organization's headquarters, but he had not changed PLO policy and had refused to accept UN Security Council Resolution 242 to preserve the unity of his organization.

Last night Fabius hosted a dinner for 600 guests at the Quai d'Orsay. Peres was the guest of honour.

Tomorrow will be the visit's main political day when Peres and President Francois Mitterrand are to confer for close to an hour alone, before a formal lunch attended by Fabius and several ministers.

Among the subjects due to be

(Continued on Page 2, Col. 7)

French spy released and deported

By ROBERT ROSENBERG
Jerusalem Post Reporter

A convicted French spy was released from jail and deported to France late Tuesday night to coincide with Prime Minister Peres's state visit to Paris.

Henri Eicholz was convicted in March, 1984, of espionage after being caught in July 1983 photographing the Shalom Tower in Tel Aviv. The pictures were to be passed to Fatah terrorists abroad, who planned to blow up the downtown Tel Aviv office and commercial building. Eicholz was sentenced to four

years in jail.

The 27-year-old was told by authorities that if he ever returns to Israel he will be rearrested and made to serve out the rest of his prison term.

Eicholz was featured three months ago in a French television documentary as a "victim of the anti-Semitic press" which nurtured in him "anti-Israeli views," a Prisons Service spokesman said last night in Jerusalem. The spokesman said that as far as he knows there are now no Frenchmen serving jail sentence in Israel.

Lebanese Army takeover of coast road seen put off

BEIRUT (AP). - A security plan to deploy the Lebanese Army on the coastal highway linking Beirut with Israel's occupation zone in South Lebanon appeared yesterday to have collapsed on the eve of its deadline.

Spokesmen for Druse leader Walid Jumblatt and his Shi'ite Muslim ally, Nabih Berri, said the two leaders have agreed to propose an "alternative plan" for the deployment that was set to begin today.

Local radio stations said the announcement was a sign that Syria's mediation had failed to allay Jumblatt's belief that the deployment, as planned by the Lebanese Army command, would threaten his strongholds in the Shouf Mountains.

The plan was originally set for last Sunday. It was postponed until today to give Syria a chance to resolve the dispute. Radio stations and newspapers now say there is no chance at all of a deployment this week.

Marwan Hamadeh, a top Jumblatt

aide, was quoted by the independent English-language *Daily Star* as saying the alternative plan would be "directed toward reopening the road to the South, rather than encircling the mountains."

This plan will be drawn up within the next 24 hours, Hamadeh told the newspaper after returning Tuesday evening from Damascus, where he held talks with Vice President Abdul-Halim Khaddam, Syria's top expert on Lebanese affairs.

Prime Minister Rashid Karamah's national coalition government views the takeover of the coastal highway as a showcase of the Lebanese Army's ability to take charge of any areas Israel would withdraw from in South Lebanon.

Sources in Jumblatt's Progressive Socialist Party said the Druse leader rejected the army command's contention that control of the coastal highway required a takeover of the Shouf foothills that overlook the road. These foothills are controlled by Jumblatt's militia.

Court forbids teachers strike set for today

By LEA LEVAVI and D'VORA BEN SHAUL
Jerusalem Post Reporters

The Jerusalem District Labour Court last night ordered the country's two teachers unions to call off the strike they had scheduled for today. The Histadrut Teachers Union and the Secondary School Teachers Association were expected to comply with the order.

The Labour Court issued the order after midnight in response to a petition by the Finance Ministry.

In its petition, the Treasury argued that the teachers unions had violated a written agreement to avoid labour strife until the end of this month.

In a parallel attempt to forestall the strike, the attorney-general's office, acting on Finance Minister Yitzhak Moda'i's request, hopes to have back-to-work orders issued to

the teachers by this morning.

According to a July agreement, the teachers undertook not to strike until the end of 1984, but they now dismiss it as defunct because they have not been paid the increments promised them in it.

Moda'i met last night with Education Minister Yitzhak Navon. Both men agreed to continue negotiations to try to make it possible to include the teachers in the framework agreement, but intend to ask them to forgo some of their demands because of the economic situation.

The teachers unions called the strike for today to press their demands to be included in the framework agreement, which would entitle them to an 8 per cent pay rise, and to receive the increments promised in July.

The strike was to include special education schools, except for those which are permanently exempted from strikes. Parents whose children attend a school with a permanent exemption are aware of their

(Continued on Page 2, Col. 4)

Moda'i vows to resist teachers

Jerusalem Post Reporter

Finance Minister Yitzhak Moda'i said yesterday that he is prepared to resist the teachers' demands, and "the teachers had better be prepared to accept moral responsibility for their strike."

He said he hopes there will be no all-out strike, adding that he respects the teachers too much to express how he really feels about their actions.

"They're striking for an increment, not for reasonable wages," he said. "Maybe the time will come when I'll have to explain how much a teacher earns and how many hours he or she works."

He said the teachers are not included in the collective wage agreement - "they did not sign it" - and that their plan to sign on the eve of the economic package deal had not been acceptable.

TA municipality workers begin all-out strike

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. - The city's 8,500 municipal employees began a strike yesterday which they intend to continue until they receive their November salaries. The strike is expected to continue for at least a week.

Some municipal workers' representatives called for escalating the strike by blocking main thoroughfares and holding mass demonstrations. But it was decided not to take

such steps at this time. Municipal Workers Organization chairman Teddy Kaufman said.

Skeleton staffs consisting of some 1,500 workers continued working yesterday in hospitals, special education institutions, fire brigades and the municipal water plant.

Only four rubbish collectors worked yesterday picking up rubbish from hospitals and at military camps. Piles of rubbish are mounting on

(Continued on Page 2, Col. 7)

Hijackers of Kuwaiti plane want release of terrorists

NICOSIA (AP). - The five Arab hijackers holding some 80 hostages aboard a Kuwaiti airliner at Teheran Airport announced yesterday that they had planted explosives inside the plane and threatened to blow it up if their demand for the release of a group of imprisoned terrorists in Kuwait is not met, the official Iranian news agency, Irna reported.

The agency, monitored here, said the hijackers' threat followed an announcement by the Kuwait government that it would not accept any of the hijackers' conditions before the release of the remaining hostages.

In the latest contact with the airport control tower yesterday evening, the hijackers demanded a meeting with the Kuwait prime minister and crown prince, Sheikh Sa'ad al-Abdullah al-Sabah, Irna reported.

The hijackers released 23 passengers during the day. All the women and children have been released since the Airbus was hijacked Monday night with 161 people aboard while on a flight from Kuwait to Karachi, Pakistan, after a stop in Dubai.

Irna said the hijackers had announced earlier they would release their hostages if Kuwait promised to free "a group of mujahedeen (fighters)" detained in Kuwait.

The Kuwait newspaper *al-Watan* said they were demanding the release of 14 prisoners. Three of them are under sentence of death and the rest were imprisoned for varying periods, for their part in the suicide bomb attacks on the U.S. Embassy and French Consulate in Kuwait on December 12, 1983.

Clampdown brings decline in police violence

By ROBERT ROSENBERG
Jerusalem Post Reporter

Internal discussions at the Police Ministry are under way to improve the quality of investigations of policemen suspected of violence against citizens. *The Jerusalem Post* has learned.

The police force has not yet been informed of the deliberations, which Police Minister Haim Bar-Lev wants completed in time to answer MK Tewfik Toubi's motion for the agenda on the subject next week. But officers have been told they will be held responsible for violent behaviour by subordinates.

Bar-Lev's answer to the motion is expected, ministry sources said yesterday, to be a major policy statement on police brutality. But it is still not certain that specific, new

methods to combat what police sources recently said is a growing phenomenon, will be announced.

According to sources both in the police and Border Police, Bar-Lev's emphasis on the subject in meetings with senior commanders has already resulted in a drop in the number of incidents.

"We're feeling the heat," said a Jerusalem police source, who noted that officers have been "called onto the carpet" by their superiors for infractions by subordinates. After Bar-Lev laid down the rules late last month regarding excessive force, "things really hit the fan," said the inspector.

Superintendent Rahamim Aden has been appointed to conduct the inquiry into an alleged case of beatings meted out to seven Nabulus residents by two jeeploads of Tel Aviv-based Border Policemen.

Border Police spokesman Super-

intendent Gabi Waxburg said that, "officially, the only complaint about the matter came from an Army Radio reporter." Waxburg called for witnesses to the alleged incident to come forward and give statements. One, Yoram Hecht, was heard during the Army Radio report earlier this week saying he would be prepared to do so.

"We are taking this matter very seriously," said Waxburg.

He said that the suspected troops have denied to investigators that there were beatings, but have already conceded that they did conduct a strip search of the seven men, after one was found to possess some hashish. The public strip search, said Waxburg, "has already raised some unpleasant questions."

He called on the public to not hesitate to complain about any incidents either to the police or the Border Police.

Kerosene poisoning case gets under way

TEL AVIV (Itim). - A 34-year-old Holon man went on trial at the local district court yesterday on charges of manslaughter and of attempted murder.

Moshe Levy is accused of injecting kerosene into his wife Ilana in March 1983, causing her death, and of a similar attack on his girlfriend, Suzanne Moyal, 22, in December of the same year, with the result that she became paralyzed in the lower part of her body.

Moyal testified that the accused invited her home and gave her coffee after which she fell asleep. When she woke up at 3 a.m., she asked him to

take her home. She did not remember what had happened to her, she said in answer to a question, and only started feeling pain in her breast, back and neck a week later.

Levy is charged with injecting kerosene into her breast, back and neck and is suspected of raping her while she was unconscious.

Moyal was treated at Donolo Hospital in Jaffa and her abscesses were operated on. She was recuperating in Tel Hashomer Hospital, she told the court, when Levy visited her and poured acid on her. He was then seized by two nurses and arrested.

Moyal, who was brought to court

in a wheelchair, was visibly upset at the start of her testimony. At one point, her mother shouted abuse at the accused and was ordered to leave the court, but she calmed down.

Defence counsel Nira Lidsky asked for Levy to be sent for a further psychiatric examination. Asked by the prosecution whether she thought Levy was unfit to stand trial, Lidsky replied that she was not contending this, but she thought that, in view of the abnormality of Levy's alleged behaviour, it would assist the defence if a more thorough psychiatric examination could be

(Continued on Back Page)

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COPENHAGEN	3	7	Cloudy
FRANKFURT	4	9	Cloudy
GENEVA	2	6	Cloudy
HELSINKI	5	10	Cloudy
HOANG KONG	18	24	Cloudy
JOBANNESBURG	16	21	Clear
LISBON	12	16	Clear
LONDON	10	15	Cloudy
MADRID	6	10	Cloudy
MONTREAL	-11	12	Cloudy
NEW YORK	1	4	Cloudy
OSLO	3	7	Cloudy
PARIS	7	11	Cloudy
SAO PAULO	19	24	Cloudy
SANTIAGO	17	23	Cloudy
STOCKHOLM	6	10	Cloudy
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THE WEATHER

Forecast: Partly cloudy with possibility of local rain

	Yesterday's Humidity	Yesterday's Min-Max	Today's Min-Max
Jerusalem	56	9-13	11
Golan	48	7-12	12
Nahariya	56	5-9	9
Salaf	56	5-9	9
Haifa Port	62	14-17	17
Tiberias	47	12-19	18
Nazareth	48	9-14	13
Afula	48	10-17	16
Shomron	55	9-14	13
Tel Aviv	49	13-18	18
B-G Airport	58	13-17	16
Jencho	58	12-20	19
Gaza	59	15-18	18
Beersheba	47	11-18	18
Ellat	43	10-22	22

SOCIAL & PERSONAL

Dr. Mordechai Varon is to speak on regional health services at the Rotary club meeting at the Tel Aviv Hilton at 1:15 p.m. today.

The Jerusalem Journalists' Association this week appointed its new chairman Israel Television's Yossi Tzemach and, as vice-chairman, Gabi Brun of Yedioth Aharonot.

BIRTHS

A son — to Barbie Zelizer and Michael Glick on December 5 in Jerusalem, brother to Noa.

Hanukka cards for Jews in Soviet Union

The Public Council for Soviet Jewry and the Israel Zionist Council have set up a stall in Jerusalem for passersby to write Hanukka cards to Soviet Jewish refusedniks.

The stand will be in the courtyard of the Jewish Agency complex on King George Street until tomorrow. Passersby are also being asked to sign an appeal on behalf of Soviet Jews. This is to be passed, via the Dutch Embassy, to the Soviet authorities. (Itim)

U.S. Marine in Rambam

HAIFA (Itim). — U.S. Marine Morris Jones has been hospitalized in the recovery ward of Rambam Hospital here, after suffering five broken ribs on Monday while working on the deck of the aircraft carrier USS Eisenhower.

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HOME NEWS

Shas distances itself from remarks on IDF

By ARYEH RUBINSTEIN
Post Knesset Reporter

Minister-without-Portfolio Rabbi Yitzhak Peretz yesterday said that he and his Shas party dissociate themselves "completely and absolutely" from the remarks about women soldiers "attributed to" his party colleague, MK Rabbi Shimon Ben-Shlomo.

He was reacting to three motions for the agenda on a statement made by Ben-Shlomo in an interview in last Friday's *Kol Ha'ir*, alleging that IDF casualties in Lebanon are God's punishment for the licentious behavior of women soldiers. Ben-Shlomo repeated the statement at Monday's meeting of the Knesset Foreign Affairs and Defence Committee.

The government's reply to the motion was delivered by Defence Minister Yitzhak Rabin, who denounced Ben-Shlomo's remarks "with revulsion."

Peretz said that after a lengthy conversation with Ben-Shlomo he understood that his colleague's remarks had not been properly understood, and he attributed this to Ben-Shlomo's inexperience in giving interviews.

Rabin praised the great contribution of the hundreds of thousands of women who served or who are serv-

ing in the IDF. He could not see the wisdom, the logic, or the truth of Ben-Shlomo's linking of two separate matters.

He said that Shas and Peretz had done the right thing in dissociating themselves from Ben-Shlomo's remarks. He noted that, as a coalition partner, Shas bears collective responsibility for government policy and actions.

"The Jewish people has always suffered from generalizations," Peretz said, "and we certainly dissociate ourselves from a generalization besmirching the reputation of Jewish girls who serve in the IDF. If there is any defect in the army with respect to modesty or any other subject, Heaven forbid that all girls be denigrated for it."

Of course, he said, Shas is opposed to women's army service, "both on Halachic and substantive grounds."

Rabin asked the House to join him in rejecting Ben-Shlomo's remarks and their implications. At the same time, he asked the House to content itself with his statement and that of Shas.

The sponsors of the motions agreed. They were Chaike Grossman (Mapam), Shevah Weiss (Alignment), and Yossi Sarid (Citizens Rights Movement).

46,000 looking for work, says employment service

By ILAN CHAIM
Jerusalem Post Reporter

There were 46,452 people looking for work in November, an increase of about 11 per cent over the previous month, the State Employment Service announced yesterday. But this number is probably less than the total number of unemployed.

The number of persons registered as unemployed for six days or more went up some 19 per cent, to 19,331, from 16,293 in October. But this employment service figure does not take into account those who have lost their jobs and have not registered — an additional factor that, according to a recent estimate by the Central Bureau of Statistics, may bring the total unemployed to over 70,000.

In yet another side to the unemployment statistics, the National Insurance Institute — which pays unemployment compensation — reported that 15,470 people received unemployment benefit in November, an increase of 11.5 per cent over the month before.

One figure given by the employment service — for which it is the only source — is the number of employers offering jobs via the local labour

exchanges. In November, 16,285 jobs were offered, up by 308 from October.

However, the number of jobless who refused such job offers also grew last month by about 16 per cent, to 4,015. Registered jobless who refuse suitable work lose their unemployment compensation for that month.

In a regional breakdown of registered unemployed, the employment service notes "a significant increase" in the following areas for November (October figures in brackets): Upper Galilee, 1,067 (646); Jezzeel Valley, 1,638 (1,293); Dan region, 1,687 (1,418); Tel Aviv area, 1,913 (1,530); Dimona, 575 (431). No significant increase took place in other areas, the service said.

Reacting to the figures, Labour and Social Affairs Minister Moshe Katsav told Israel Radio last night that the growth in unemployment is "not especially bad," and had been predicted by ministry forecasts. "We're prepared for various eventualities," said Katsav, noting that the ministry's comprehensive programme for dealing with unemployment is to be discussed at next Sunday's cabinet meeting.

Prosecutor denies GSS man threatened terror defendants

The prosecutor in the Jewish terror trial yesterday denied that a General Security Services agent had threatened that the defendants would "pay dearly."

The agent, "Yisrael," yesterday completed his testimony in the hearing on admissibility of evidence in the trial. Defence attorney Dan Avi-Yitzhak later told the court that after "Yisrael" had finished testifying, the GSS man had told him, "This community will pay dearly yet."

Avi-Yitzhak said he pointed out to "Yisrael" that prosecutor Doris Beinisch was standing next to them.

At that point, Avi-Yitzhak told the judges, "Yisrael" had said he meant that "the community of settlers in Judea and Samaria would pay dearly because I [Avi-Yitzhak] had kept GSS men busy testifying rather than taking care of matters that require their attention."

Beinisch denied that "Yisrael," head of the Jerusalem GSS team that investigated the Jewish underground, had been threatening the defendants. When defendants called out that the GSS man was making a threat, Beinisch responded, "Is it conceivable that what he said was meant as a threat when the three of us were together?"

"Yisrael" had testified behind closed doors.

Later in the day, the court heard testimony from Avner Barzovsky, a senior investigator in the national police headquarters who participated in several defendants' reenactments of their alleged crimes. Barzovsky said that defendant Natan Natanson had told him on the way to a reenactment that a former head of the GSS had resigned because then-prime minister Menachem Begin had told him not to investigate the attack on the West Bank mayors. (Itim)

Twins defy search hide among garbage

YAVNE (Itim). — Two 11-year-old twin girls declared missing from their Yavne home since Tuesday turned up at their schools for business as usual yesterday after spending the night in an apartment house's garbage room.

Police and Civil Guard units scoured nearby fields and orchards Tuesday night in search of the girls, who had failed to return home from school following a spat with their parents. They were finally spotted by their school librarian who saw them playing with friends in the schoolyard. A nearby garbage room had provided them with shelter from the wind and rain.

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Bar-Lev, Peled and the Negev mines mystery

By ROBERT ROSENBERG and HIRSH GOODMAN
Jerusalem Post Reporters

A mysterious "mistake" in a letter by Police Minister Haim Bar-Lev and conflicting versions of an incident described in that letter had the army and the Police Ministry at odds yesterday.

The letter was part of a correspondence a month ago between Bar-Lev and Progressive List MK Matityahu Peled.

Peled had complained to Bar-Lev, who is responsible for internal security, about mines that had been placed near the homes of two Negev Beduin. Peled linked that incident to what he said were numerous recent incidents of Negev Beduin being wounded by exploding mines.

Bar-Lev's office checked with the police in the subdistrict, and informed the MK that the mines were "part of an army exercise...to check the reliability" of the Beduin.

He attributed the explanations to "hostile activity" and said they had nothing to do with the two mines.

It was understood the "test" was to find out if the Beduin would report that the mines had been placed, rather than steal the mines.

Peled on Tuesday made public the correspondence, and the clause "to check the reliability."

The Police Ministry spokesman yesterday was clearly embarrassed by the incident. He said the reliability clause "had been a mistake that shouldn't have been there." But he was unable to explain if the mistake had been made by the police or the ministry; if the mistake was that the mines had not been planted to check reliability; if the mistake was in the actual phraseology; or if it was a mistake to check reliability by placing mines near a citizen's home.

But he insisted that there was indeed an army exercise, "according to the information the ministry received."

The army yesterday officially denied that any IDF exercise had taken place. "We have checked," a military source said, "and there is no truth in the matter."

"The minister of police decided to respond to Peled and he can now explain why he never bothered to check with us," said the source.

But at the ministry, sources insisted that their information had indeed been reliable.

SCHOOL STRIKE

(Continued from Page One)

school's special status. Morning prayers will be held as usual at religious schools, after which the children will be dismissed.

The leaders of the Histadrut Teachers Union and Secondary School Teachers Association decided to carry out their strike threat after a meeting with Education Minister Navon yesterday morning failed to yield results.

Teachers who participated in that meeting complained that the minister did not back them sufficiently.

They said he had started the meeting by telling them he has no solution for them, which made them wonder why the meeting was being held at all. Yitzhak Welber, secretary-general of the Histadrut Teachers Union was angry after the meeting with the minister.

He said his union is willing to play its part in showing restraint. The teachers would temporarily forgo the additional teaching hours due to them as part of the Etzioni recommendations, but first the teachers have to get what they are entitled to, he said.

Aaron Sittner adds:
Likud members of the Knesset Education Committee voted against a suggestion that the committee ask the government to seek a compromise solution with the teachers to avoid a strike. They said the teachers' organizations are responsible for their situation and there is no reason for the government to give in to their demands in such critical economic times.

Shoshana Bayer, chairman of the Secondary School Teachers Association, complained that teachers have been turned into scapegoats by the government, whose negotiators have made them appear "as aggressive, despite the fact that we have withdrawn our demands for fulfillment of four of the benefits granted us by the Etzioni Report."

The committee will continue discussing the government-teachers controversy next week.

Moshe Amirav, head of the Road Safety Authority, last night appealed to the country's drivers to take special care today, bearing in mind that over a million children will be out of school. The strike had come suddenly, he explained, and the authority had not been able to arrange for volunteer traffic observers.

The clerks and technician's unions last night announced that they would be taking action to demonstrate solidarity with the teachers. They gave no details.

Speaking to Koor managers in Beit Berl yesterday evening, Histadrut Secretary-General Yisrael Kessar said that the teachers are entitled to the same increases obtained by other public-sector employees.

PREMIERE. — Arthur Cohn's film *Gambit* is to be screened at special benefit premieres in Jerusalem and Tel Aviv on Sunday and Monday. The proceeds will go to the Variety Club's fund for deprived children.



Italian Deputy Foreign Minister Bruno Corti meets yesterday with Vice Prime Minister Yitzhak Shamir. (Rahamim Israeli)

Italy to strive for 'fairness' in EEC's Middle East policy

Post Diplomatic Correspondent

As presiding nation over the EEC for the six months as of January, Italy will strive to ensure that there is no "imbalance" in the community's policy on the Middle East nor a preference of the interests of one side at the expense of the other.

This undertaking was given in Jerusalem yesterday by visiting Italian Deputy Foreign Minister Bruno Corti.

Corti said that his prime minister, Benito Craxi, would make use of a meeting planned for him with Yasser Arafat to examine the significance of recent developments within the PLO. Craxi is likely to see Arafat during an official visit to Tunisia.

Corti pointed out that this encounter would in no way signify or imply Italian recognition of the PLO.

The Italian deputy minister met with newsmen yesterday after initialing a new trade agreement with

Israel. Foreign Ministry Director-General David Kimche set his initials on behalf of Israel, and the document is to be signed formally in three weeks by Tourism Minister Avraham Shafir.

The initialing ceremony concluded a periodic meeting of the Italy-Israel Joint Economic Committee, which has functioned since the 1950s.

Corti said he is aware of the trade imbalance between the two countries — to Israel's disadvantage — and he appreciates Israel's desire to try to level the figures.

Regarding Spain's imminent entry into the EEC, Corti said Italy's concern is for the entry to be gradual so that EEC warm-climate farmers not be unduly hurt. He said he believes a gradual entry into Europe by Spain and Portugal would soften the blow to Israeli producers, too.

DEFENCE BUDGET

(Continued from Page One)

Treasury can cut from either ministries.

Moda'i said yesterday at a press conference in Jerusalem that it might cost as much as \$300m. to keep prices of subsidized goods frozen for the whole economic package deal period.

Moda'i estimated that half the money injected into the economy monthly by the government goes on subsidies.

Even with a budget of \$2.7b., the Defence Ministry is claiming, next year's work plan for the IDF has had to be severely cut back.

There have been drastic cuts in training, stockpiling equipment, research and development programmes, and orders to local industry.

A defence source estimated last night that the cut back from \$3.2b. to \$2.7b. would cost some 12,000 jobs of workers directly and indirectly

connected to the Defence Ministry. This is in addition to some 2,000 members of the standing army who will either be fired or gradually allowed to go.

The dispute surrounding the future of the Lavie is a "non-argument," defence sources said last night, claiming that "finally" some people in the Treasury have realized this. The Lavie's development has and will be funded directly out of the American aid package with money earmarked for that project, and which can be used for no other.

Defence Minister Rabin is to leave for London this morning, and Prime Minister Peres is in Paris. Thus officials say that no decision on the defence budget will be taken until early next week.

At the end of yesterday's meeting, participants from both sides noted down the major differences between them, so as to narrow the debate for next week's discussions.

'Time' reporter continues testimony in libel case 'Sharon's testimony shows he anticipated massacre'

NEW YORK. — Time Magazine correspondent David Halevy testified yesterday in Ariel Sharon's \$50 million libel suit against Time that Sharon's testimony before the Kahan Commission supports Halevy's conclusion that Sharon knew in advance that the Phalangists would murder civilians in the Sabra and Shatilla refugee camps.

Responding to questions from Time's chief attorney Thomas Barr, Halevy read to the jury selections from Sharon's public testimony to the commission in November 1982, including a section in which the then defence minister said, "we knew that in such an operation (as that of the Phalangists in Sabra and Shatilla) that some civilians would get killed...I do not think anyone thought that the Lebanese Forces (Phalangists) would act as we do. The IDF has its own attitude and code of values."

Halevy related that, on the evening of Thursday September 23, he was visited at his home near Tel Aviv by a top-ranking IDF general, with whom he had hitherto not been close.

Sharon addresses NY Bonds dinner
Jerusalem Post Reporter
NEW YORK. — Ariel Sharon was the principal speaker Tuesday night at a Lawyer's Division of Israel Bonds testimonial dinner honouring Sharon's chief attorney Milton Gould and former U.S. senator Jacob Javits.

Israel's UN Ambassador Binyamin Netanyahu also spoke at the affair.

Sharon said that he is hopeful that "in the next 10 years Israel can become one of the centres in the world for high and sophisticated technology...possibly the third centre after the United States and Japan."

William Schneider, an Israel Bonds spokesman commented, "The decision to hold a dinner honouring Gould was made long before the beginning of the Sharon-Time trial. Gould is a life-long Israel supporter."

CHEAPER CONCERTS. — The Tel Aviv Museum is to reduce ticket prices for one concert each month. The first reduced-price concert is scheduled for Saturday, when the Musicamera Ensemble is to play three Mozart quartets.

Halevy said: "He made a very emotional statement, which was surprising for such an unemotional man. He spoke of the similarity of what happened with the German Wehrmacht in World War II and what happened with the IDF in relation to Sabra and Shatilla. He noted that the Wehrmacht said it was not responsible for the (German) massacres in Eastern Europe, that it claimed it never saw, never heard, never listened. The man said, 'it's the same here. We did not carry out (the massacre), but everyone is saying, 'I didn't hear anything, I didn't see anything.'"

Halevy said the general expressed the opinion that Halevy should publish the truth about what had happened at Sabra and Shatilla, "even if it is not highly complimentary to the State of Israel."

In comments to *The Jerusalem Post* after the session, Halevy said that he was bitter about the Israeli press reports on his testimony. "The Israeli reporters were completely biased in their reporting. They twisted what I said," he added. "Now I realize for the first time what the press can do to an ordinary human being." Halevy declined to expand on this.

Meanwhile attorneys for both Sharon and Time were said to be discussing the offer of the Government of Israel to have former supreme court president Yitzhak Kahan peruse Appendix B, and other classified documents, and report on whether the documents support the interpretation given it by Halevy and Time. Both sides seem likely to agree to the government's offer.

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Murphy may spend month in Mideast

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — The State Department's ranking Middle East specialist, Assistant Secretary Richard Murphy, is planning a prolonged shuttle in the Middle East aimed at facilitating an Israeli withdrawal from South Lebanon.

U.S. and Israeli officials yesterday said Murphy could be expected to remain in the region for most of the month.

They said his major purpose was to continue probing for opening in the Lebanese situation, although he will also review other subjects, including the broader Arab-Israeli situation.

Murphy, who was due to leave Washington last night, met yesterday with Ambassador Meir Rosenzweig at the State Department to review details of his mission.

Rosenzweig, acting on instructions from Jerusalem, expressed Israel's deep concern over the latest rash of statements coming from Egypt which are viewed in Israel as violating the Camp David peace accord.

Specifically, Rosenzweig cited the Egyptian-Jordanian joint statement

Knesset to examine building trade 'collapse'

By AARON SITTNER and
LEA LEVAVI

The Knesset decided yesterday to hold a full-scale debate on the "imminent collapse" of the building industry. It acted on a motion for the agenda by Michael Harish (Alignment), who noted that besides the 120,000 workers directly employed by builders and contractors, tens of thousands of people employed by sectors serving the building industry will be thrown out of work.

Citing comparative statistics, Harish noted that even during the 1966-1967 economic recession building starts ranged between 19,000 and 22,500 annually, while this year there were only 18,000 building starts.

Besides the virtual halt in construction orders from the Defence Ministry, Harish said, new construction has been brought to a standstill by the freeze on new government business connections. This includes construction projects requested by local authorities. As a result, there are now no school buildings or hospitals being planned.

Harish demanded that the cabinet appoint a committee of experts in-

cluding representatives of the Treasury, the Economic Planning Ministry, Housing Ministry and Defence Ministry to assess the country's long-term needs as well as its short-term problems "with a view towards preserving the building industry, which is so vital to the State of Israel."

The 60,000-member Histadrut Construction Workers Union is to hold a one-day strike on Sunday, with some 2,500 members demonstrating outside the Prime Minister's Office, to protest against what the union's secretary-general Anis Bar-Yosef termed "elimination of our trade."

After Sunday's strike and demonstration, the union plans to protest

against the more than 25,000 unemployed Arab workers from the territories whose cheap labour is undercutting contractors' ability to compete for work, Bar-Yosef said.

"We have nothing against the 12,000 or so organized workers from the territories sent by the employment exchanges," he stressed. "They have a right to work. Our complaint is against unorganized labour."

In addition to demanding an end to the freeze on defence construction work, the union wants public land made available for building rental housing for young couples or apartments to attract Diaspora Jewry investment.

Knesset refuses to act on Ovadia Yosef's party activities

By ARYEH RUBINSTEIN
Post Knesset Reporter

The Knesset does not see anything wrong in the political activity of former chief rabbi Ovadia Yosef on behalf of the Shas party. Rabbi Yosef is now a *dayan* on the High Rabbinical Court of Appeal.

A coalition majority yesterday defeated a motion for the agenda by Ya'ir Tzaban (Mapam), in which he cited the Attorney-General Yitzhak Zamir's opinion that *dayanim* (religious court judges), like other judges, may not engage in political activity.

Tzaban noted that the attorney-general several months ago wrote to then-religious affairs minister Yosef Burg calling the matter to his atten-

tion, though without mentioning Yosef's name.

It is inconceivable that any judge, and certainly not a High Court judge, would set up a political party, raise funds for it, appear on TV campaign broadcasts, and take a regular part in party consultations, Tzaban said.

"Imagine government ministers making pilgrimages to the home of a judge to conduct party negotiations," said Tzaban. "Imagine a prime minister suggesting during a cabinet meeting that one of his ministers talk to a judge on a party matter."

Menahem Porush (Agudat Yisrael) interrupted: "Do you know who you are talking about? He is way above you and all of us. You and

many others don't come up to his ankles."

Tzaban said that he had asked Prime Minister Peres in his capacity as acting religious affairs minister to act in this matter, but "he ignored his duty."

Last week, Tzaban said, he had agreed to the government's request that he put off his motion for a week. This week the government had requested another week's postponement. He had refused, he said, and the government had not delegated any minister to reply. "Can there be greater contempt for the subject than this?"

Rabbi Menahem Hacohen (Alignment) moved that the motion be struck from the agenda, arguing that a rabbi or a *dayan* could not be

compared to a judge. A rabbi must give his opinion on any public issue when he considers it necessary. Tzaban wanted to restrict his freedom of expression, Hacohen declared.

Whereas a judge deals with all matters under the sun, a *dayan* deals with a very limited area - where the law says that the halacha shall govern. Hacohen said. The rules that apply to judges are therefore not applicable to rabbis, he stated.

Hacohen said that Mapam was still in the Alignment with the Alignment tried to get Rabbi Yosef to persuade Shas to join an Alignment-led coalition. Tzaban insisted that Mapam had objected to that step.

Porush: Unemployment causing family break-ups

Jerusalem Post Reporter

The first signs of social deterioration resulting from the economic situation are already surfacing, Deputy Minister of Labour and Social Affairs Menahem Porush told the Knesset yesterday.

He was replying to a motion for the agenda by Ben-Zion Ben-Eliezer (Yahad) on "the need to assess national priorities in view of the debasement of Israeli society by the economic hardships it is facing."

Porush declared: "Whatever MK Ben-Eliezer knows about what is occurring in this country because of the economy's failing, we at the

Ministry of Labour and Social Affairs know twice as much. Families are falling apart as heads of households are thrown out of work, and police are compelled to fight more violence and vandalism resulting directly from the economic collapse."

In his motion, Ben-Eliezer - a former senior IDF officer - said: "We cannot go on gauging national security solely in military terms. National security is a derivative of economic strength, a good educational system and a healthy society."

Then, in a reference to the multi-million-dollar Lavi jet aircraft development project being pushed by the Defence Ministry, Ben-Eliezer

continued: "Before permitting the Lavi to take off, we had better make sure that there will be solid ground on which it will be able to land."

Rather than spend available funds for such projects, said Ben-Eliezer, all efforts must be made to boost the morale of residents of development towns. "Otherwise," he warned, "things will get worse, and more sectors of Israeli society will turn in anti-democratic directions, which will exacerbate Jewish-Arab relations."

The Knesset voted to hold a debate on Ben-Eliezer's motion.

MK urges cabinet not to freeze Med-Dead canal project

By AARON SITTNER
Jerusalem Post Reporter

A decision on building of the Mediterranean-Dead Sea Canal would not depend on feasibility studies but on the project's role as a fulfillment of another Zionist dream, MK Jacques Amir (Alignment) said in the Knesset yesterday.

Amir, who wants the cabinet to give the go-ahead for the project, said: "The construction of the canal would be a challenge for Jewish youth here and abroad. This canal - prophesied by Ezekiel (47:8-13) can provide employment opportunities for thousands of Israelis not only for

the nine-year period during which the canal would be under construction but also in the various enterprises (such as power stations and resort areas) which would begin operating with the completion of the canal."

Ezekiel referred to water issuing toward the east country, going down into the desert, and into the sea. Besides the hydro-electric power it would provide, said Amir, Med-Dead would revolutionize farming and solar-energy development, and provide a cheap source of industrial cooling water not only for inland power stations but also for industry.

Replying for the government, Energy Minister Moshe Shahal recalled the history of the Med-Dead scheme, and added: "During the intervening years, during which all aspects were studied, certain factors have changed. The cost of investment capital has changed, as has the price of fuels used for producing electricity."

Shahal said that the final feasibility report on Med-Dead will be presented to him later this month by a consortium of foreign engineering firms. Then, rather than decide himself on the basis of that report about

Med-Dead's future, he will ask the cabinet to make the decision.

He added that a possibility raised in recent weeks is to divide the scheme into two parts: first, construction of a power station and reservoirs and, as the second phase, completion of the canal's planned routing and the stabilization of the water level of the Dead Sea.

If the first phase is undertaken, it would cost between \$400m. and \$500m., Shahal predicted. At his suggestion, Amir's motion was referred - unanimously - to the Economic Committee.

Herzog turns engine driver

By DAVID RUDGE
Jerusalem Post Reporter

HAIFA - President Herzog fulfilled a boyhood dream yesterday... to drive a train.

The president, who was a guest of the Israel Railways, took over the controls for a 25-minute ride from Binyamina to Haifa's central station.

He told reporters that as a boy he had always dreamed of being a train driver.

Herzog, who was a passenger for the earlier part of the trip from Tel Aviv, said the ride enabled him to meet a cross-section of the public.

He maintained that expansion of the railway system would assist industrial development and help reduce the carnage on the country's roads. He pointed out that an average of 400 people are killed in road accidents every year while nobody has died as a result of a train accident since the establishment of the state.

He believed suburban trains, especially in the Tel Aviv and Haifa areas, would ease the pressure on the roads. An expansion of the railway network would also be an asset for military purposes, he said.

Herzog favoured opening up a line to Eilat because this would help the development of the Negev. After all, it was the railways that had opened up the American West and Russia's Siberian wastes, he said.

Referring to reports that the Treasury wants Israel Chemicals, a government-owned corporation, to buy and run the railways, Israel Railways Managing-Director Zvi Tzafirri said he supported the initiative. He said he would prefer, however, that it be done in conjunction with the Ports Authority. "We are in a recession, and without changing our status there will be no possibility of improving the railways," he said.

Bid to spare educational aids centre

Jerusalem Post Reporter

The Teaching Aids Institute will not fall victim to the Treasury's budgetary axe, Labour and Social Affairs Ministry Director-General Zvi Zilker declared this week.

The ministry's institute, which develops technological teaching aids for various on-the-job training programmes, is one of the branches the Treasury last month proposed should be dropped as part of the ministry's budget cut. The proposal aroused controversy, particularly because of the institute's development of materials for computer training and other fields required by

high-technology industries. Zilker added that it was senseless for the Treasury to propose dropping the institute to save money, because it funds nearly all of its activities with the sale of educational materials. The institute, located in Ramat Aviv, does not offer job-training courses.

The ministry is examining the possibility of establishing the institute as an independent body, with governmental support being replaced by the local authorities. "But even at this time of economic cutbacks, I would recommend expanding the institute's activities," said Zilker.

DEBATING THE PLO

(Continued from Page One)

Jordan must remove two obstacles from the road to peace with Israel, Shamiir said. The first is the partnership with the PLO, and the second is the illusion that Israel will some day return to the borders of 1967.

Israel had already made far-reaching concessions at Camp David, and the sooner Jordan got rid of these two obstacles the greater the prospects of peace between the two countries.

Turning to Egypt's position today, Shamiir noted that Yasser Arafat told the PNC that "Egypt and its people did not accept the Camp David policy...they objected to the normalization that they tried to force on them."

Where was the Egyptian government's denial of that statement? Shamiir asked. It was a statement counter to the repeated declarations in Cairo in the ears of Western statesmen of Egypt's obligation and faithfulness to the Camp David accords.

"One may be amazed at that special art of double-talk, but peace is not a plaything; it calls for clarity and sincerity," Shamiir said.

The Knesset adopted a coalition motion presented by Sara Doron

(Likud-Liberals) declaring that it "takes note of" the opening speech of the prime minister and the reply by the foreign minister.

Adel Wahab Darousha (Alignment) walked out of the chamber before the vote. Mohammed Wataid (Mapam) voted for the draft resolutions submitted by the Democratic Front for Peace and Equality and the Progressive List for Peace.

Members made the following points at the tail-end of the debate: Mattityahu Peled (PLP): The government must abandon the way of refusal and war. The PNC has proved that there is something to talk about and someone to talk to.

Menahem Porush (Agudat Yisrael): A debate on peace plans before the Arabs have shown a desire for peace will endanger the unity government.

Rabbi Haim Druckman (Morasha): By our hesitation to apply Israeli law to all parts of Eretz Yisrael as we did to Jerusalem, we created the problem of the territories.

Meir Kahane (Kach): Let us decide on the transfer of Arabs from Eretz Yisrael to their countries. This will not bring peace, but it will enable a Hadass Kedmi and a David Manos to go about the country without fear.

IDF team investigating increase in desertion

Jerusalem Post Staff

The number of deserters from the Israel Defence Forces has increased in the past few years, according to the army's weekly *Bamahaneh*.

The magazine said yesterday a special team to study the problem

was set up a fortnight ago. It is headed by Aluf David Mainom, the president of the military Court of Appeal and is expected to present its recommendations in mid-January.

The magazine did not give any figures on the extent of desertion.

Peres in no mood for French lectures on PLO

By ASHER WALLFISH
Jerusalem Post Correspondent

Prime Minister Peres yesterday gave *The Jerusalem Post* a broad hint that he is not in the habit of being lectured to by French Socialist Party leaders about the Palestine Liberation Organization.

In an exclusive interview aboard the El Al plane taking him to Paris, for a four-day official visit as guest of Prime Minister Laurent Fabius, Peres recalled how he had crossed friendly swords with the late Socialist premier Pierre Mendes-France in the presence of today's Socialist president Francois Mitterrand.

Mitterrand was the third man at a lunch which the late Mendes-France hosted for Peres in 1978. Mendes-France then asked Peres sourly how, if at all, Labour's attitude to the PLO differed from that of the Likud.

Instead of responding directly, Peres told *The Post* he had counter-attacked, and reproached his host for having "led astray a large number of Israelis and others by persuading them that the PLO would change its hostile policy towards Israel."

Peres said he told Mendes-France: "You are capable of managing your affairs and we are just as capable of managing ours."

At this, Mitterrand's comment was: "Shimon has a good point there."

Mendes-France then explained to Peres that he had sought to protect the interests of the Palestinian Arabs

but not of the PLO as such, Peres said.

He said that a lot of people had come under the sway of Mendes-France's persuasive arguments in favour of the PLO, but meanwhile the PLO had not changed its character one whit and is not likely to.

Reminiscing to *The Jerusalem Post* about his many contacts over the years with Mitterrand, Peres recalled getting an invitation from the French president in 1981 to Paris for a post-election victory get-together. Seven of Mitterrand's close friends were invited from various parts of the world.

Peres said that he cabled his regrets that he could not come, but didn't explain why, although he knew Mitterrand would feel slighted.

Peres said the party was held on the day that then-prime minister Menachem Begin had scheduled for bombing the nuclear plant in Baghdad, but he could not spell this out in his cable.

Peres said that he tried to persuade Begin to cancel the operation because he feared French nationals might be victims. The operation was not cancelled, but the date was postponed.

Another reason why he tried to get Begin to cancel the operation, Peres said, was also Mitterrand's private promise, later made public, to ensure that if elected president, he would see that Iraq did not receive any enriched uranium (or atomic bombs).

Peres said, "When it finally became possible to tell Mitterrand the real story behind my absence, he commented: 'How many other people in the world would have made a calculation the way Peres did? If my best friend could not attend my victory celebration, he had the best of reasons.'"

Speaking of the present visit, Peres admitted that he was moved at the thought that he would be the first Israeli prime minister to officially visit France in 23 years.

Search continues for two missing soldiers

By DAVID RUDGE
Jerusalem Post Reporter

HAIFA - No breakthrough has yet materialized in the disappearance of soldiers Hadass Kedmi and David Manos, 21.

It is now seven days since Kedmi, 20, of Kibbutz Kfar Masaryk went missing and a month since the disappearance of Manos.

The intensive, wide-scale search, involving police, soldiers and thousands of volunteers, has so far failed to produce any positive leads to the whereabouts of the two.

Dozens of items, including articles of clothing, have been unearthed by the searchers, but it is still not clear whether they belonged to either

Kedmi or Manos.

The Haifa Labour Council yesterday called on all workers in the district to join the search by combing through the yards of factories and building sites during work-breaks. The council suggested that special attention be paid to empty buildings and infrequently used sheds.

Some 50 idled sievedores joined the search yesterday.

PRIZE - *Yediot Aharanot* Knesset correspondent Gideon Reicher has been named this year's winner of the Shmuel Svislotzky Prize for parliamentary reportage. It was announced yesterday.

Move base out of Haifa, Mayor Gurel asks Rabin

Jerusalem Post Reporter

HAIFA - The army should move its Mahaneh David base here to make room for expanding the Haifa cemetery, Mayor Arye Gurel yesterday told Defence Minister Yitzhak Rabin.

In his meeting with Rabin, Gurel said the army's bases in various parts of the city are interfering with de-

velopment and tourism. In particular, Gurel asked that the army vacate Mahaneh David on the western side of the city, saying Haifa needs more room to bury its dead.

Gurel also asked that Military Industries factories in Haifa install equipment before next summer to prevent their sewage from polluting the city's beaches.

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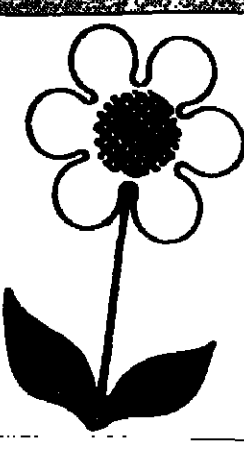
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Sports

In the U.S., Yves Alarie of the school of Public Health at the University of Pittsburgh said the gas, when inhaled, "makes the lungs produce so much fluid the victim drowns." It is a slow process, he said, and "you may die hours or days later, after the exposure."

But the delicately balanced accord was slightly clouded by a row with Greece, which threatened to block enlargement unless the community approves an ambitious programme to aid poorer Mediterranean regions.

The wine deal would force vineyards to distill excess production into industrial alcohol and provide generous subsidies to encourage producers to uproot their vines and grow something else.

The Soviet news agency Tass said that the Nato decision to increase spending had been imposed by Washington.

KINSHASA (Reuter). — Zaïrean President Mobutu Sese Seko was sworn in for a third term of office.

BAHRAIN (Reuter). — U.S. Defence Secretary Caspar Weinberger is to pay a short visit to Saudi Arabia today for talks with Defence Minister Prince Sultan bin Abdulaziz, the official Saudi press agency said.

St. Louis Blues 2, Winnipeg Jets 2 (on over-
Capitals 4, Devils 1, Red Wings 7, Maple Leafs
(John Ogradnick scoring three third-period
goals, the last with 49 seconds remaining).
ENGLISH SOCCER: Liverpool 3, Coventry
Queen's Park Rangers 2, Stoke 0. Despite
victory, Queen's Park sacked their manager
Alan Mullery, after he had been only 24
in the job.


One of the coordinators of the extravaganza put the cost of the wedding at \$500,000, paid for by family, friends and members of the congregations. Rent for the Coliseum was \$10,000 dollars.



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BAHRAIN (Reuter). - U.S. Defence Secretary Caspar Weinberger is to pay a short visit to Saudi Arabia today for talks with Defence Minister Prince Sultan bin Abdulaziz, the official Saudi press agency said.

ENGLISH SOCCER: Liverpool 3, Coventry 0. Queen's Park Rangers 2, Stoke 0. Despite a victory, Queen's Park sacked their manager Alan Mullery, after he had been only 24 days in the job.

THE BABY lies quietly, his eyes wide open, and looks at the woman's face. As she moves slowly to one side, the baby's head turns, his eyes tracking her movement. Suddenly, a rattle shakes on the other side of him. He turns his head toward the sound.

The baby, only a few hours old, is the star of a video programme, *Infants and Their Abilities*, produced by Hebrew University psychologist Dr. Judy Auerbach, Rivka Nowik, Miriam Levav and Judy Margolin.

Filmed in the maternity ward of Shaare Zedek Hospital in Jerusalem, the programme opens with a meeting of mothers who have just given birth. The women, each of whom has several older children, are asked seemingly obvious questions: When does a baby begin to see? When does a baby begin to hear?

"A baby sees at 40 days," answers a mother of five confidently. "Babies hear at 40 days," answers another. A few mothers suggest a slightly earlier date, but not one of them believes that newborns can hear or see in their first few days of life.

Enter the star, to show what a newborn can do. Using items from an infant assessment test developed by T. Berry Brazelton, the best-known baby researcher in the U.S., Rivka Nowik elicits from the infant

behaviour that reveals his amazing abilities.

As they watch the demonstration, the mothers break out in smiles — their babies now seem so much more human. "One mother in the group was so excited at what she learned that she ran to the phone and called her husband to tell him, 'You know, our baby sees!'" recalls Nowik.

Almost as amazing as what the newborn can do is the mothers' conviction that he can't see or hear. "The newborn's fixation point — at which he can see clearly — is about 25 centimetres, the distance between the baby's face when held in a breast-feeding position and the mother's face," says Judy Auerbach, an expert on infant development at the Martin and Vivian Levin Centre for the Normal and Psycho-pathological Development of the Child and Adolescent at the Hebrew University. "The baby is 'wired' to look at the mother and has a preference for visual complexity that is satisfied by the human face," she explains.

But since most parents don't know that a baby's fixation point is at 25cm, and often hold an object too close to the baby, they can easily get the impression that he can't see. Auerbach says. They probably choose 40 days as a turning point because that is when an infant's first smile indicates clearly that he is able

Newborn movie stars

Making its debut in prenatal courses is a video movie showing babies performing a variety of amazingly 'human' activities, reports Esther Hecht.



to interact with his environment.

Mothers talk to their babies intuitively, she adds, but they do it differently if they know the baby is reacting and likes to hear the human voice.

"There is some evidence that within 24 hours of birth the newborn prefers the sound of his mother's voice," she says. "Knowing that the baby is responding to them gives parents great satisfaction and makes caretaking more pleasurable. This in itself makes knowing about infant abilities worthwhile. In general, the more parents know about children's abilities and development, the more they invest in them."

The idea for using the Brazelton test in a video programme grew out of work with the assessment test and research on intervention with high-risk babies and parents. It had become obvious to researchers that parents were learning from seeing the test performed, and it came to be used in the U.S. for teaching mothers at risk about their infants' abilities.

"But doing it on a one-to-one basis is too expensive," says Auerbach, "and we wanted to work with groups. That's why we decided to use the test in a film."

The video programme is intended for use by the Ministry of Health and health-care institutions, and at the

end of childbirth preparation classes. It is now being used on a trial basis in prenatal courses at Jerusalem hospitals.

"The film provides a fun ending for the course and adds a dimension usually lacking, because prenatal courses focus almost exclusively on labour and delivery," she explains.

Though the programme focuses on abilities common to all normal babies at birth, it also stresses the individual differences with which infants enter the world. Thus parents are urged to pay attention to the cues they get from their own babies.

In the first few weeks, parents can interact with the baby when he is awake and calm. Auerbach says. "If the baby starts to fuss, don't continue the interaction."

"We purposely give no advice in the programme except for one thing — that it is OK to pick up the baby and there is no need to fear spoiling him," says Nowik. The baby has a great need for body contact and one of the functions of crying is to help satisfy this need.

Frontal carriers are ideal for irritable babies, adds Auerbach, and parents needn't worry that they will keep the baby from developing properly. "The developmental urge — to sit, to crawl, to walk — is amazingly powerful," she says.

THE REVIVAL of the Hebrew language and the rebirth of an independent Jewish state have produced a flowering of Hebrew names as never before — names Biblical and names Talmudic, both traditional and such as had fallen into disuse.

There are names adapted from ordinary words, symbolic names and even invented names. In some schools today, you can barely meet an Abraham or Jacob.

Yet parents should at least be aware that Hebrew names are glittering double-edged swords. Most sound beautiful, but they also have meanings and associations, which are not mentioned in the name glossaries. Lewis Carroll was right in this regard in warning us to "beware of the bandersnatch," for who knows what a bandersnatch may mean!

Some usual animal names are: Dov (bear), Aryeh (lion), Tzvi (deer) for boys and Debora (honeybee), Tzipora (bird), Yael (mountain goat), Ayala (doe) for girls. However Nahash (snake), Shual (fox), Hagav (grasshopper), Parosh (flea) and Shafan (rock hyrax) are no longer acceptable, even though they are perfectly respectable in the Bible.

Some names are obviously objectionable. Who would call their child a flea: and *shufan* is today's Hebrew term for a cowardly, chicken-hearted person. In Jacob's time, a king of Shechem was called Hamor (ass). One of King David's wives was called Eglah (heifer); and Duba, which is a Russian name, is the Hebrew for a female bear, which no girl should have to bear.

Further, Gur (puppy) and Ofer (young fawn) might suit young boys but are incongruous for 40-year old businessmen.

Some names are obviously punnable: Adam's third son Seth's name also means buttocks. Eshel (tamarisk tree) used for boys, is also the name of a common milk product, and Hogla (partridge) is the name of a well-known brand of toilet paper.

The Bible sets more than a few traps for the unwary: Beula (from Isaiah), means "an experienced woman," and would never be used by anyone familiar with today's Hebrew because of its sexual connotation.

Terach, Abraham's father, is today's term for a combination of scrooge, lecher and old fool. The sons of Naomi in the Book of Ruth,

A rose by any other name...

Yitzhak Dinur

Machalon and Kilyon have euphony but dangerously symbolic names — *machalon* means illness and

kilyon means extinction. Ezra, Nehemia and Chronicles are full of awkward names such as: Peresh (dung), Parosh (flea) and the name of Shelumiel, a head of the tribe of Judah, has converged with the German-Yiddish *schiemiel* to mean a "sad-sack" today.

The name of Rahab, the famous righteous prostitute in Joshua, means wide or broad, perhaps indicating that she was a broad-minded woman for those days, or simply a "broad." The very common name Ziva (radiance) has a homonym (spelt differently, sounds the same) which means gonorrhea. Temima (an innocent chaste girl) would be the target for all sorts of "smart remarks."

Since the Bible has few women's names, many have been invented,

with some woeful results: Karmit is an orchard pest; Malbina sounds like a chlorine bleach; Matmona is a hidden treasure; Marit is a spatula; Asisa is a "juicy one"; Tzahala is the name of a swanky Tel Aviv suburb; and Silona comes straight from the jet set.

Grammatical names such as Li-Lach (mine-yours), (you are mine), Sheli (mine) are fairly euphony and do not worry the bearer unduly.

Privately invented and symbolic names can be most beautiful, but they can also be white elephants: consider Sha'ar Yashuv — ("a remnant shall return), Herut (freedom), Atzmaut (independence), also one of King David's heroes which can be quite embarrassing. Even a relatively common name such as Shalom (peace) can cause small prob-

lems. Names for events and places, such as Yamit, Dakar, Tirana (nothing to do with Albania) are just a yoke around their bearers' necks.

If someone really dislikes their given name, the option always exists of changing it at the population registry.

The truth is that children and adults usually cope with awkward, difficult, even ludicrous, names. Often, one's strength of character can make a name's meaning irrelevant. But why make a young person's growing up more difficult, when a little thought and a few questions directed to friends can help avoid trouble. A rose by any other name might be as sweet, but that is not a reason for calling it a stinkwort.

Moving through pregnancy

Randi Nell Sax

CANADIAN-BORN actress and dancer Rachelle Mihal led the class of eight women through an hour of yoga, exercises and aerobic dancing. Her class was no different from the other aerobic exercise classes springing up all over Israel except that Michael Jackson wasn't blaring from the stereo, each exercise was at a slower-than-normal pace and each woman was at least three months pregnant.

Mihal teaches "Moving through Pregnancy," which is believed to be the only aerobic exercise movement class for pregnant women in Israel. It takes into account the bulk of the pregnant abdomen," Mihal explained. "In each exercise we're very careful not to jar the baby."

Moving through Pregnancy is not a preparatory class for childbirth, but it helps increase concentration during labour and delivery. Many women take Mihal's classes alongside childbirth classes and they feel that with the exercise class their bodies are in better shape to give birth. Women usually start the class in their third month and continue until the day they give birth. No one is admitted without her doctor's permission.

Each class begins with a series of breathing exercises taken from yoga and slowly progresses to faster, more aerobic-type exercises including a pregnant belly dance. Misha demonstrates and talks her students through each exercise while continually checking for correct position-

ing. Each exercise is punctuated with Mihal's calming, "Breath, smile, breath."

While pregnant with her first child, Mihal studied with Anne Colwin, the founder of Dancing through Pregnancy in America. After returning to Israel it took Mihal one year before she found her first student. "I started in my apartment with one student and then we increased to four. Word of mouth and a doctor at Tipat Halav helped boost the class."

Today Mihal teaches four times a week in a rented studio and has about 40 students.

Rutie, an American student in the fifth month of her first pregnancy said Israeli women are out of touch with their bodies. "They haven't read as much as American women, but they know a lot of old wives' tales."

Women constantly hear horror stories about giving birth in Israel. The exercise class acts as an outlet for women to talk about their fears and pregnancies. There is a real sense of comradeship among the women," another student added.

Zella, an Israeli student in her second pregnancy, felt that she wanted to continue her exercise regime while she was pregnant. "The class helps us to be more aware of our bodies and to feel less awkward and more graceful as our center of gravity changes."

"We had our first two births recently," Mihal proudly announced. "Hopefully, as the number of students increases and more women give birth, we'll be able to start post-birth classes involving the babies as well."

IT HAS TO be colourful and edible but above all, a cake baked for a children's party — whether on Hanukkah or on a birthday — must be imaginative.

Having rejected suggestions for a lion or a railway station as too difficult, we compromised by making a "Kishkashta"-shaped cake for my son's birthday, which proved possible even with my limited talents as a pastry cook.

A basic sponge cake, baked in a large rectangular pan, was cut out to the oval shape of the face with the leftovers used for Kishkashta's cactus-like ears.

I covered the whole thing with green icing and used squashed marshmallows topped with chocolate buttons for eyes. I outlined the mouth with chocolate vermicelli which is time-consuming and fiddly but, in my case, preferable to spoiling the whole thing with an icing nozzle.

However, as I will have other party cakes to produce, being blessed with another son as well, I consulted my friend Jacky Shulman who can turn a Victoria sponge and a tub of icing into just about anything. She came up with some great ideas which I willingly pass on to other mothers whose imaginations extend no further than to cake with chocolate-spread frosting sprinkled with coloured candy balls.

Jacky bakes many of her party cakes in a round pudding basin rather than a cake tin. Two of these sandwiched together make an oval ball shape which has endless possibilities for decoration. She slices a small amount from the bottom so the ball will stand firm and then lets her imagination run riot to Humpty-Dumpty, the Mister Men, even an owl. Half the cake — one pudding

Party time

Gloria Deutsch

basin — can be turned into a hedgehog.

To cover one cake you need two or three packets of icing sugar mixed with a very small amount of tepid water. Mix it in literally by drops until you get the right consistency. Food colouring enables you to achieve some incredible hues. Cast your mind back to school days when you discovered that blue and red make purple, blue and yellow make green, red and yellow make orange and so on.

When a thicker icing is needed, use margarine creamed with icing sugar, the proportions being 100 grams of margarine to 200 grams of sugar.

THE OWL: Make the basic shape

and cover with chocolate butter cream. Stick chocolate flakes (from any sweet shop) all over the body. It looks very effective and owl-like. Use a shelled almond for the nose. If you're as ham-fisted as I am with an icing nozzle, you can always paint in features with a squeeze from the chocolate sauce bottle. A hedgehog can be decorated in the same way.

THE CAROUSEL: For this one, Jacky made two round cakes — one smaller than the other — and iced them. She perched the smaller one on top of the larger one with pieces of brightly coloured striped drinking straws. Against these she stuck animal-shaped biscuits. It looked fantastic.

THE CUCKOO CLOCK: A basic rectangle is cut into the clock-like shape and iced. The numbers and hands can be iced on or you can just use *adashim*, (candy-covered buttons) and chocolate sauce.

The extra bits of cake are cut into two pendulum shapes and joined to the cake with small pieces of rope. Finally, two small pieces of cardboard on the number 12 make a window for the cuckoo, which can be bought ready-made or shaped from



marzipan or even paper. Very effective.

TONY THE TIGER: Jacky copied the picture on the Frosties cereal box using crunched up cornflakes for the yellow stripes and brown and white icing. Incidentally, you should always have the picture of what the cake is supposed to look like in front of you and copy every detail. Finally,

if you can neither bake nor ice a cake, make a mixture of *Rice Krispies* cereal and melted chocolate. This can be shaped into anything — a Magen David, or the number of the birthday for example. But remember to stick the birthday candles in before the cake hardens!

Today is edited by Amy Levinson.

The Fund for Strengthening Israel's Defence

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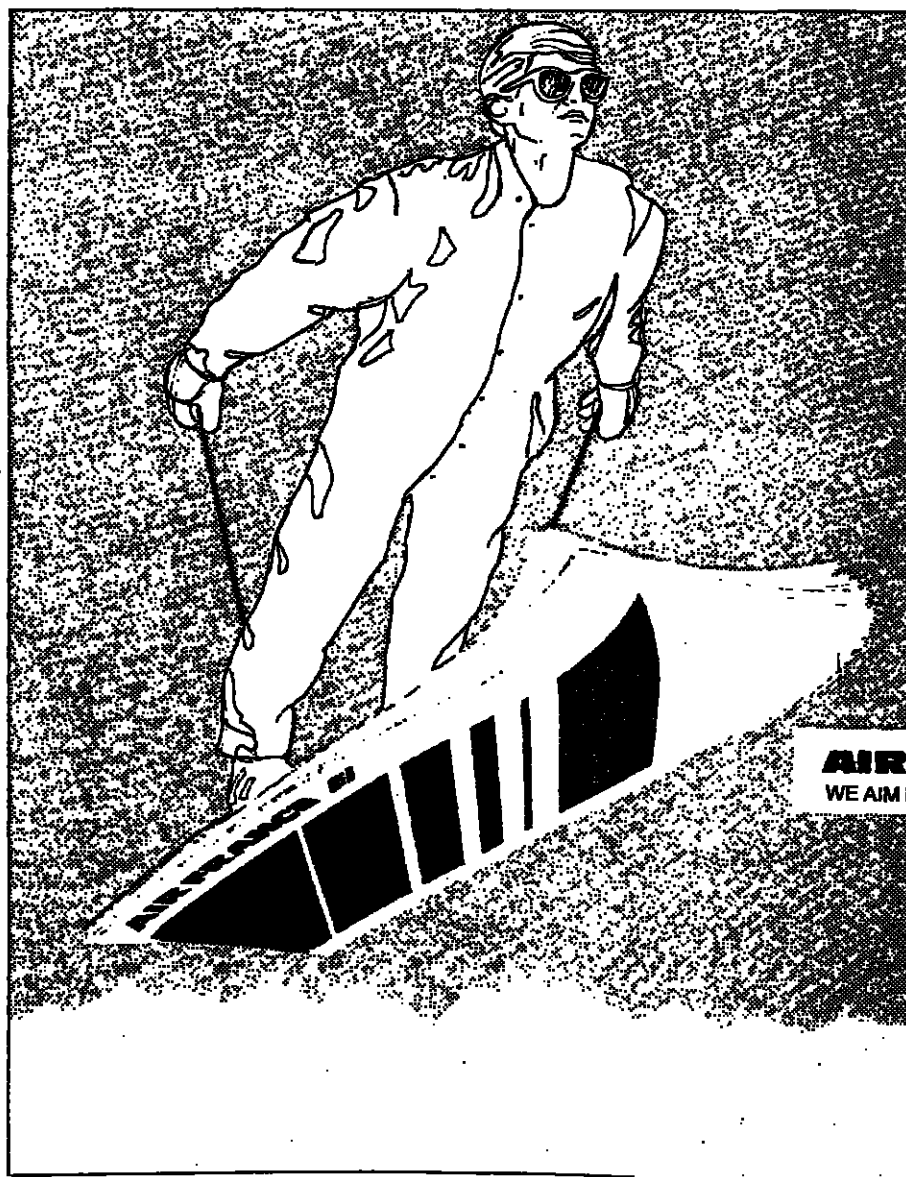
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AIR FRANCE
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דפוס ירושלים

The difference between current income and expenses constitutes the government's operating deficit. This

The bottom line is, therefore, that the government needs to borrow as

In the following articles the latest developments in the bond market on the stock exchange, and on the savings market in the banks — in its various guises — will be analyzed and compared.

Alster, an engineer and activist in Rubinstein's party. Shnui, said he would devote himself to improving mail services despite the economic situation through introducing more efficiency measures.

Last April, the telephone services were removed from the Communications Ministry's direct control and given to Bezek, the new public telecommunications company. The mooted Postal Authority, which would allow higher salaries to workers in exchange for increased efficiency, is meant to be modelled after Bezek.

Haifa

What's On in Haifa, dial 04-640840.

The latest Gross National Product (GNP) figures reported by the country's Economic Planning Agency (EPA) have reinforced economist's fears that Japan's robust recovery is faltering due to a downturn in the U.S. market for Japanese exports. GNP rose only 0.7 per cent in the July-September period, compared

Quick Solution

ACROSS: 7 Castas, 8 Adrift, 19 Ominous, 11 Angle, 12 Note, 13 Witch, 17 Stout, 18 Omen, 22 Water, 23 Useless, 24 Stance, 25 Writhe.
DOWN: 1 Account, 2 Assist, 3 Falon, 4 Advance, 5 Singe, 6 Stead, 8 Assiduous, 14 Attract, 15 Amnesic, 16 Aniseed, 19 Twist, 20 Atlas, 21 Merry.

Altman: Red Dawn 4:30, 1:15

Money Matters

Interest rates fall again

Post Finance Reporter
TEL AVIV. - The 2 per cent fall in borrowing costs, announced earlier this week, will go into effect today. The main interest rates in the banks will be as follows. (All figures are monthly.)

Prime rate for best borrowers: 12% in the Big Three banks, 12.5% at First International and 13% at Mizrahi. The range of interest rates on authorized lines of credit is usually from prime to prime + 2.5%. The commitment fee for obtaining these credit facilities remains at 1.5%.

Unauthorized overdrafts and overruns of facilities will cost 7.5% above the basic interest charged on the line at Bank Leumi (i.e. 19.5% - 22%) and Mizrahi. At Hapoalim, Discount and First Int'l, this surcharge is 8%.

Salary earners will be charged only 11% at Bank Hapoalim, but this is only valid for the first IS20,000 overdrown. Elsewhere, the cost will be the prime rate of each bank for the first IS20,000 (IS18,000 at Mizrahi, and a more respectable IS50,000 at First Int'l). Beyond these minimum levels, the Big Three will all charge 18%, and the two smaller banks just over 20%.

Interest on current accounts, when they are in the black and fulfill all the conditions laid down by the banks, will be 5.5% at Leumi and Discount, and 6% at Hapoalim.

The more interesting, and possibly more far-reaching aspects of the latest downward lurch in interest rates - the third in one month - come in areas that do not directly affect the general public. They are concentrated in what the central bank is offering to and demanding from the commercial banks.

In the first place, the Bank of Israel has raised the cost of the first two branches of the monetary loan it makes available to the commercial

banks, while lowering the cost of the upper, or more expensive tranches.

Even more significantly, it has imposed a liquidity requirement on the banks' holdings of customer deposits in *tapas* and *pakam* accounts. This is only 5 per cent, but it is a precedent nonetheless, since hitherto these accounts have been fully liquid and the money in them was therefore available to the banks for their own use.

The rationale behind these moves by the Bank of Israel is to try and prevent the reduced cost of money triggering a sharp increase in demand for it. While this is what the laws of economics would normally dictate, the central bank believes it can get round them, at least temporarily, by administrative measures of this sort.

The commercial banks themselves are far from happy at the new twist taken by monetary policy, since it must erode their already thin profit margins very substantially. At this late stage in their business year, and facing large and mounting bad debts as the recession deepens, this is probably the last thing they need.

Nevertheless, the Bank of Israel is now set on a course of steadily lowering the cost of money, while limiting its availability, along the lines of "it doesn't cost much, but you can't have any."

Telecom shares down

LONDON (AP). - The new British Telecom shares, which began trading Monday afternoon at 95 pence, were at 80 1/2 down from yesterday's opening of 91 pence.

LONDON BANK RATES

	December 5, 1984	prev. close
Bank base rate	9 1/2	9 1/2
Call money	9 1/2	9 1/2
91 day treasury	9 1/4	9 1/4
3-months interbank	9 1/4	9 1/4

Debts run to tens of millions of dollars

Yoram Gil ordered to file affidavit within two weeks

By PINHAS LANDAU
Post Finance Reporter

TEL AVIV. - District Court Judge Avraham Meishar yesterday rejected the appeal of Gil Electronics, the troubled consumer electronics importer, to overturn his previous appointment of a temporary receiver for the company.

The receiver was appointed one month ago, at a court session called at the request of the Discount Bank. Discount wanted this step taken against the company to prevent its inventory, which was claimed by the bank under a floating charge in its favour, from being disposed of before the bank could seize it as collateral for its loans. No representative of the company was present at that session, since the whole move was designed to take place without its knowledge.

However, Gil Electronics' lawyers soon made a formal request to reverse the decision. This was thrown out of court yesterday, and Judge Meishar announced that unless Yoram Gil files an affidavit with the court, which refutes the claims of the bank - and this within two weeks - the appointment will become permanent, as Bank Discount has been requesting.

In other words, unless Gil shows up in court in the next two weeks, he will lose his company. It will be recalled that Gil left Israel for Switzerland early last month, and one of his companies, Arieh Insurance, put up \$440,000 in guarantees to Union Bank (another of his companies' creditors) against the eventuality that he would not return by December 3, as promised.

Meanwhile, that date has come and gone, and Gil has not returned.

Arieh, however, has reached a new arrangement with Union Bank, whereby the guarantee is transferred to part of Gil's debts, rather than his return in person.

The *Jerusalem Post* has learned that Gil is now further away than Switzerland. Reliable sources report that the businessman last week flew to Japan, apparently to ensure that the licence to represent the Japanese electronic giant, National (Matsushita), remains in his hands personally, and not in the name of Gil Electronics. The company also represents Grundig and ITT. It remains to be seen whether Gil will in fact return to Israel in the time allotted him.

The judge noted in his ruling that in addition to Bank Discount, Bank Leumi has also filed claims against Gil Electronics. The problems of the companies in the crumbling empire of Yoram Gil therefore seem to be multiplying, with press reports suggesting that Arieh Insurance is also facing large claims from clients.

Estimates of the total debts run up by Gil's companies are also increasing daily. Some bankers have spoken of \$30-40 million, but a well-placed source close to Gil has estimated that \$60m. is closer to the mark. This source also thought that Bank Discount alone had loans of some \$15m. outstanding, and that its collateral did not extend to more than half that sum. Discount spokesmen denied this, claiming that the bank was fully covered for its exposure to Gil and his companies.

With the case now in the courts, the true facts and figures are certain to emerge in due course. It will be of interest to see if Yoram Gil re-emerges as well.

Shares ahead on low volume

TEL AVIV. - The share market turned in another positive performance yesterday, with prices moving ahead on a broad front. The bond market remained dull, showing very slight gains, although volume there was much higher than in the share market.

The advance/decline statistics in the share market were very good again - better indeed than the actual price increases would indicate. Five issues rose for every one that fell, and sharp rises were seen in one ahead of sharply falling issues.

Nevertheless, even the non-bank index only rose 2.80 per cent, while the General Share Index, retarded again by the sluggish "arrangement" sector, put on only 1.45 per cent. Certain sectors, notably mortgage banks and investment companies, gained far more, but overall the urgency that marked the determination to buy on Sunday and Monday seems to have abated.

Much of the money entering the market is coming from mutual funds, which are continuing to expand their asset base after long months of contraction. These buyers are not willing to buy at any price, but their large cash reserves have underpinned the market in the profit-taking of recent days, and yesterday, with the sellers having withdrawn, they were left in control of the field.

The volume of the share market, at only IS1672 million, remains its weakest point. By contrast, the turnover in the bond market is still running at about IS2.5 billion daily.

MARKET COMMENT

By PINHAS LANDAU

but the pace of rises in that market is much slower. Insofar as the expected price index for December is in the 10-12 per cent range, this pace of 0.3-0.7 per cent daily is justified. Its consistency gives it more significance, showing that there is a steady source of demand for bonds at the moment.

In the Treasury-bill market yields continued to fall, and the longest-dated bill, with four weeks to redemption, attracted a very large demand, which was not satisfied until the monthly yield had fallen to 10.53 per cent. Even more remarkable were the sharp price rises, or yield falls, in the bills with 6 and 13 days to redemption.

These were fixed at 0.31 and 5.60 per cent monthly effective rates, yesterday - without doubt the lowest rates seen in the Israeli economy in a very long time. However, beyond their value in pointing up, or accentuating the trend, these bills do not have a major influence on the monetary economy, as the small volumes that they attract clearly show.

Announcements:
Sillim Houla, a Bnei Brak-based textile firm, entered the stock exchange vista by announcing a large purchase of Ofis Textiles shares.

made off the floor on November 26. The announcement, made two days later, was only received by the exchange yesterday.

Sillim-Houla bought 1,500,955 shares of Ofis, at a price of 330. The company points out that its subsidiary, Malash Holdings, already has the largest single stake in Ofis, of 27,550,290 shares.

Menorah Insurance announced a 100 per cent bonus share issue. The ex-dividend will be on December 13, and the distribution will be made on December 16.

MARKET STATISTICS

Indices	Value	% Change
General Share Index	622.29	+1.45%
Non-bank Index	740.15	+2.80%
Arrangement	528.45	+0.10%
Industrial	541.08	+2.10%
Bond Index	504.91	+0.34%

Turnovers	Value
Shares	IS1,672.2m
Bonds	IS2,521.1m
Totals	IS4,193.3m

Advances	Declines
Of which 5% +	138
Of which 5% -	14
Buyer-only	3
Seller-only	4

Bond market trends	Rate to %
3 1/2% bill-linked	Rises to 7.5%
5% bill-linked	Rises to 8.5%
6% bill-linked	Moved to 2.5%
90% linked	Falls to 1.5%
Double coupon	Rises to 2.5%
Dollar-linked	Rises to 2.5%

Most Active Shares

Company	IS100	IS100	%
Leumi	10385	15169	+5.5
Hapoalim	16410	15169	+5.5
IDB	22240	15169	+5.5

Tel Aviv Stock Exchange daily price quotations

Company	Price	% Change	Company	Price	% Change	Company	Price	% Change	Company	Price	% Change
Commercial Banks											
(not part of "arrangement")											
OHK	858	135	n.c.								
Maritime	2739	380	n.c.								
Maritime 5	760	502	n.c.								
Com. non-tr	6000	56	+8.2								
Dis. B. n.c.	120	2975	n.c.								
N. Am. op.	3768	37	-0.6								
N. Amer. 5	1900	53	-0.8								
N. Am. op.	3768	37	-0.6								
Danot 1	515	b.o.1	+5.1								
Danot 2	120	2975	n.c.								
Danot 3	318	b.o.1	+5.1								
Danot 4	120	2975	n.c.								
Danot 5	318	b.o.1	+5.1								
Danot 6	120	2975	n.c.								
Danot 7	318	b.o.1	+5.1								
Danot 8	120	2975	n.c.								
Danot 9	318	b.o.1	+5.1								
Danot 10	120	2975	n.c.								
Danot 11	318	b.o.1	+5.1								
Danot 12	120	2975	n.c.								
Danot 13	318	b.o.1	+5.1								
Danot 14	120	2975	n.c.								
Danot 15	318	b.o.1	+5.1								
Danot 16	120	2975	n.c.								
Danot 17	318	b.o.1	+5.1								
Danot 18	120	2975	n.c.								
Danot 19	318	b.o.1	+5.1								
Danot 20	120	2975	n.c.								
Danot 21	318	b.o.1	+5.1								
Danot 22	120	2975	n.c.								
Danot 23	318	b.o.1	+5.1								
Danot 24	120	2975	n.c.								
Danot 25	318	b.o.1	+5.1								
Danot 26	120	2975	n.c.								
Danot 27	318	b.o.1	+5.1								
Danot 28	120	2975	n.c.								
Danot 29	318	b.o.1	+5.1								
Danot 30	120	2975	n.c.								
Danot 31	318	b.o.1	+5.1								
Danot 32	120	2975	n.c.								
Danot 33	318	b.o.1	+5.1								
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Danot 54	120	2975	n.c.								
Danot 55	318	b.o.1	+5.1								
Danot 56	120	2975	n.c.								
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Danot 60	120	2975	n.c.								
Danot 61	318	b.o.1	+5.1								
Danot 62	120	2975	n.c.								
Danot 63	318	b.o.1	+5.1								
Danot 64	120	2975	n.c.								
Danot 65	318	b.o.1	+5.1								
Danot 66	120	2975	n.c.								
Danot 67	318	b.o.1	+5.1								
Danot 68	120	2975	n.c.								
Danot 69	318	b.o.1	+5.1								
Danot 70	120	2975	n.c.								
Danot 71	318	b.o.1	+5.1								
Danot 72	120	2975	n.c.								
Danot 73	318	b.o.1	+5.1								
Danot 74	120	2975	n.c.								
Danot 75	318	b.o.1	+5.1								
Danot 76	120	2975	n.c.								
Danot 77	318	b.o.1	+5.1								
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Danot 80	120	2975	n.c.								
Danot 81	318	b.o.1	+5.1								
Danot 82	120	2975	n.c.								
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Danot 84	120	2975	n.c.								
Danot 85	318	b.o.1	+5.1								
Danot 86	120	2975	n.c.								
Danot 87	318	b.o.1	+5.1								
Danot 88	120	2975	n.c.								
Danot 89	318	b.o.1	+5.1								
Danot 90	120	2975	n.c.								
Danot 91	318	b.o.1	+5.1								
Danot 92	120	2975	n.c.								
Danot 93	318	b.o.1	+5.1								
Danot 94	120	2975	n.c.								
Danot 95	318	b.o.1	+5.1								
Danot 96	120	2975	n.c.								
Danot 97	318	b.o.1	+5.1								
Danot 98	120	2975	n.c.								
Danot 99	318	b.o.1	+5.1								
Danot 100	120	2975	n.c.								
Hotels, Tourism											
GalZohar 1	no trading										
GalZohar 2	no trading										
GalZohar 3	750	700	+4.0								
GalZohar 4	421	1314	+6.0								
GalZohar 5	515	1314	+6.0								
Com. Beach	550	1314	+6.0								
Kenes	550	1314	+6.0								
Yarden Hot	1150	42	+10.0								
Yarden Hot	950	56	n.c.								
Yahalom	235	61	+5.0								
Yahalom op	300	830	+4.5								
Computers											
Data	570	74	-3.1								
Helen 1	1445	26	n.c.								
Helen 5	2116	14	+0.0								
Helen 6	556	b.o.2	+4.9								
Yas op	402	b.o.2	+4.9								
Clai Comp.	931	-1	+1.1								
Clai op	411	-1	+1.1								
M.L.L. 1	2445	27	-0.2								
M.L.L. 2	510	1	+5.0								
M.L.L. op	762	1	n.c.								
Maabov	395	182	n.c.								
Nikav 1	469	116	+0.8								
Nikav 5	283	182	+9.8								
Nikav op	469	116	+0.8								
Nikav op	305	200	+0.7								
Team 1	1269	8	+3.3								
Team op	1005	-									
Real Estate, Building											
Gm'd 1	1250	252	+1.2								
Gm'd 2	92	16	+1.1								
Gm'd 3	255	252	+2.8								
Gm'd 4	89	2195	+6.0								
Azorn	528	48	+5.9								
Azorn op	528	48	+5.9								
Elion	105	b.o.1	+5.0								
Elion op	80	b.o.1	+6.7								
Elion op	327	100	+0.1								
Elion op	327	100	+0.1								
Annunon	321	208	+0.9								
Air For op	160	209	+13.5								
Air For op	333	209	+13.5								
Air For 1.0	3625	510	n.c.								
Azorn	375	691	+19.6								
Azorn op	375	691	+19.6								
Azorn op	375	691	+19.6								
Azorn op	375	691	+19.6								
Azorn op	375	691	+19.6								
Azorn op	375	691	+19.6								
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Azorn op	375	691	+19.6								
Azorn op	375	6									

Ari Rath
Editor and
Managing Director

THE JERUSALEM
POST

Erwin Frenkel
Editor

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Not a joking matter

THE CABINET WAR over the division of the remaining spoils of office in the national unity government will still not be resolved this week. The appointment of a Herut deputy to the Labour defence minister is awaiting a settlement of differences within Herut. And a final decision on the main issue – the apportionment of portfolios between two diminutive religious parties – has been deferred until after the return of Premier Shimon Peres from his current visit to France.

On the face of it, this government's brief is to muster all available national resources in a collective effort to cure the ailing economy and to secure an orderly withdrawal from Lebanon. But for the past nearly three months hundreds of precious working hours have been diverted by the premier and his fellows into devising a formula that will satisfy the power lust of the veteran National Religious Party and the fledgling Sephardi Tora Guardians.

If such a formula could not be devised the entire coalition edifice, so it has been feared, could come tumbling down.

That the fear could at all be aired might seem absurd. But it was well grounded in the political deals struck by Labour and Herut, with the NRP and Shas respectively during the coalition negotiations. Thus if Shas were to bolt the government, as it has repeatedly threatened to do during the past several weeks, Herut would, so it said, be obliged to follow suit.

Those early deals were designed to forge alliances that would endure beyond the term of the national unity government. But their impact was immediate.

Labour, anxious to resume the "historic partnership" with even a decimated NRP, pledged to back that party's claim to both the Religious Affairs and the Interior ministries, which it had held in the past and to which it proclaimed undying attachment. That two ministries were a somewhat oversized prize for a party commanding only four Knesset members did not seem to matter.

At the same time Herut assured Shas, also with four Knesset members, that it would receive the Religious Affairs portfolio. Again, it did not seem to matter that Shas is a Khomeinistic, anti-Zionist party whose patriotism expresses itself in sympathy for anti-Arab terror suspects. What mattered, apparently, was the prospect of winning, through Shas, the support of its constituency.

In simple terms of political equity, Shas had by far the better case. The NRP's claims were sheer insolence. A Solomon solution recommended itself: let each party get one of the two portfolios held in trust by the premier.

This indeed was the basis of the proposal submitted early this week by the energy minister, Moshe Shahal, acting for Mr. Peres. He offered Religious Affairs to the NRP, and the Interior to Shas. The NRP, after some soul-searching, agreed. Shas also consented, in principle. But the arrangement would expand the existing functions of Religious Affairs, mainly at the expense of the Interior, so as to assure complete NRP control of the vast network of religious bureaucracy mostly manned by its own people. This was unacceptable to Shas.

A compromise may conceivably be worked out during the next few days that will be endorsed by both parties. This should, in a sense, be a relief, yet it must be conceded that the idea of the Interior Ministry, even after the fumbling stewardship of Dr. Yosef Burg, being turned over to Rabbi Yitzhak Peretz is nothing short of appalling.

Shas leaders' trained in nothing but halacha, have not the remotest notion of the needs of a modern state. Even compared to the like-minded, but worldly-wise, Ashkenazi chiefs of Agudat Yisrael they are mere babes in the wood. Their antediluvian philosophy is well reflected in the obscene suggestion of a Shas Knesset member that IDF casualties in Lebanon are divine retribution for the "sluttishness" of girl soldiers.

That this is the price the nation must pay for this unity government, shows the desperate stage we have reached.

KEROSENE POISONING

(Continued from Page One)

made than hitherto. Levy has already been examined and judged fit to stand trial.

The court will give a ruling on this at the next session.

The first witness, Chief Inspector Felix Roimi, who headed the investigation, testified that Levy confessed he had drugged Moyal's coffee and then injected her with kerosene from a stove in the room, afterwards throwing away the syringe, which he had found among his children's toys. He said that he had done this so that he could prove his faithfulness to Moyal by nursing her back to health.

The next witness was an expert in blood poisoning, Dr. Yardena Igra of Ichilov Hospital. She testified that she had examined Ilana Levy at the Donolo Hospital, but could not identify the infection as she had never seen one like it. Later, when

she was called to examine Moyal at Holon's Wolfson Hospital, she was reminded of the infection of Ilana Levy. The two cases were similar, she said.

Sgt. Maj. Ya'acov Dahan, another police witness, read from a long statement written by Levy while in custody, tracing the deterioration of his relationship with his wife. After he was tried for burglary, she told him she wanted a divorce. Levy recounted in his statement that he then tried to commit suicide and when he recovered from this tried again to persuade his wife to remain with him.

When she refused, he injected an open wound which she had with some material which he said he thought was kerosene, but was not sure. He subsequently nursed her faithfully until her death, he wrote. The trial resumes on Sunday.

MURPHY

(Continued from Page 2)

vening of an international conference on the Middle East.

U.S. officials are still maintaining that Murphy will not be actively involved in any formal mediation in Lebanon. They declined to release his exact schedule for security reasons.

Lebanon and the peace process can also be expected to be high on the agenda during Sunday's scheduled meeting in New York between visiting Vice Prime Minister Shamir and Secretary of State George Shultz. Both men will be in New York to receive honorary doctorates from Yeshiva University and will use that occasion to exchange views.

Israel is in the final stages of presenting a formal economic and military aid request to the U.S. for the next U.S. budget, due to be

released in January. Israeli officials confirmed that Israel will seek at least \$4 billion in combined grants plus an approximately \$750 million supplemental aid package to this year's already passed legislation. But the Reagan administration can be expected to sharply trim that Israeli request.

From New York, Shamir is to fly to Panama and Venezuela before returning to New York.

Rosanne meanwhile met separately yesterday with Assistant Secretary of State for European Affairs Richard Burt to discuss the plight of Soviet Jewry and other matters. Rosanne also expressed concern over the European Common Market's declaration this week restating support for the "association" of the PLO in the peace process.

EGYPT'S SIGNALS

(Continued from Page One)

been headline statements from Osama al-Baz, President Hosni Mubarak's top political aide, which have done nothing to allay concerns in Jerusalem.

Officials here said Shamir's decision not to make a public comment yesterday did not mean he had decided to ignore the joint communiqué, with its call for Palestinian self-determination "in the form they (the Palestinians) see fit."

Rather, the officials explained, Shamir and his senior aides are still studying the statements emanating from Cairo, along with reports from the Israeli Embassy there, before forming a firm assessment of whether there has been a basic shift in Egyptian policy.

Non-government observers have surmised that in private communications Cairo may have urged Jerusalem to take a low-key approach to the joint communiqué.

Recovery by stages

By GAD YA'ACOBI

THE GOVERNMENT'S economic policy is a favourite target for caustic comment by cynic and would-be economic wizards. Undoubtedly we would all be happier if it were possible to act more swiftly and with clear-cut determination.

Unfortunately there are many objective constraints which inevitably slow down progress in the implementation of policy. Some of these arise from the make-up of the coalition, as well as from the structure of Israel's economy and its social fabric. Others are caused by the inherent contradictions between the various measures which must be introduced to cure our economic ills.

The main contradiction lies between the unavoidable steps needed to curb inflation such as reducing government spending through budget cuts and cutting both public and private consumption, and those steps which will renew economic growth: the allocation of resources for the development of export industries; an accelerated depreciation of the shekel to encourage exports and massive training and retraining programmes to enable manpower to move from public services and administration into industry and tourism.

Yet curbing inflation is a *sine qua non* for economic growth. As long as inflation continues at a rate of almost one per cent a day, no enterprise or business can develop normally, increase production and productivity and be profitable, while no entrepreneur or businessman can be expected to invest in the productive industries Israel needs to grow and develop.

While increased American aid, which will reach \$4b. in the coming year, will temporarily replenish Israel's depleted foreign exchange reserves, this aid can neither change inflationary trends, ensure renewed economic growth nor permanently improve its balance of payments performance. It does, however, give us additional breathing space to think out and implement the required measures.

THE POLICY which the government is currently in the process of

implementing is based on five stages. The first involves reducing government expenditure by means of budgetary cuts, with the aim of cutting down deficit financing and the injection of vast sums of liquidity into the economy. The goal is to cut \$1.3b. from the \$23b. budget in the coming year.

The cut, however, must be effected from a much smaller sum – \$9.5b. to be exact – since \$1.1.5b. are earmarked for servicing the national debt, while another \$2b. are allocated to welfare payments which are legally binding on the government.

The package deal, signed at the beginning of November, constitutes the second stage. The significance of the package deal lies not only in its freezing of wages, prices, interest rates and taxes for three months, which should bring down the rate of inflation to a much lower and more manageable level, but in the fact that it is the product of a coalition between the government (which is itself a wall-to-wall coalition), the Histadrut and the employers, formed with the express purpose of curbing inflation and jointly agreeing to measures necessary for curing the economy.

In the third stage, the package deal will have to be extended, albeit in a different form. The absolute freeze cannot continue, of course, since subsidies on goods and services will have to be substantially reduced. Manufacturers will have to be allowed to raise prices so as to adjust them to rising costs, and salaried workers will have to receive at least partial compensation for the erosion of their income. Nevertheless, the government, the Histadrut and the employers will have to continue to cooperate, and both price and salary rises will have to be strictly controlled.

AT THIS STAGE, the government will also have to start dealing with the socially explosive problem of unemployment, which hits the weakest strata of the population most severely, but affects other groups as well, while discouraging aliyah and encouraging yerida.

The problem of unemployment is, however, extremely complicated, and while a real decline will inevitably take place once economic growth is renewed, a temporary rise is unavoidable in the first stages of the anti-inflationary measures.

The fourth stage will see the stabilization of Israel's economy and its currency. This stage can only be reached after inflationary pressures are greatly reduced, but we are already studying the various possibilities for effecting such stabilization, which should become relevant during the first half of 1985.

The fifth stage will see renewed growth of the economy – growth which will be based primarily on the expansion of existing export and import-substituting industries, and the establishment of new ones.

In preparation for this stage, I have already handed the government a plan for a new export policy based on preferential treatment aimed at encouraging export-oriented industries and promoting both civilian and military exports.

In addition, within two months the Economic Planning Authority in the Ministry of Economics will present a five-year overall economic plan which will set one-year, two-year and five-year economic targets. This plan, which will deal with all branches of the economy, will lay down a new order of priorities for allocating resources and propose a major restructuring of the economy in practical terms.

Since Israel's relative advantage is in brain power, skill, initiative and R & D, it must put special effort into developing the high-tech, know-how intensive industries in which these qualities are best utilized, and on which export-oriented growth ought to be based.

The development of such industries necessitates, first of all, massive training of engineering and technical manpower, and the education system will have to adjust itself to accommodate them.

At the same time, efforts must be made to attract foreign investment to help establish and expand these

Dry Bones



new industries, primarily in development areas throughout the country. Many of these are currently stagnating and suffering a very severe unemployment problem.

THREE FURTHER directions are being pursued:

A joint fund is being established by the Industrial Development Bank and a group of prominent Jewish and non-Jewish American businessmen. This fund, which should have \$100m. at its disposal within two years, will invest in high-tech industries as well as in R & D, on a purely commercial basis.

Efforts are being made, as a follow up to the May 1984 Economic Conference, to encourage individual Jewish and non-Jewish investors to participate in expanding existing enterprises and establishing new ones, either jointly with Israeli entrepreneurs or independently.

Following the meeting in Israel in November between the American Jewish leadership and the Israeli leadership, a task force including prominent Jewish leaders and

businessmen, is being set up in the United States, while an Israeli counterpart comprising senior civil servants, industrialists, bankers, economists and academics is being formed in Israel. The two groups will consult, exchange information and evaluations and maintain a constant dialogue, aiming at mobilizing capital and know-how for industrial development in Israel. All this will be in addition to expanding the activities of the appeals and the promotion of the Bonds.

Of course, these efforts will only bear fruit if we succeed in our present endeavors to stabilize the economy.

I am convinced that Israel's present economic difficulties are the result of mistaken policies over the past few years, and not of any inherent weakness in Israel's economy. I am optimistic about Israel's potential for economic growth and development. I believe that we shall succeed.

The writer is Minister of Economy and Planning.

READERS' LETTERS

SKIING TOURS

To the Editor of The Jerusalem Post Sir, – Your feature, "High Altitude Fun" (November 22), was, to our amazement, full of misleading information. May I correct the following:

1. From the context it could be inferred that Zermatt, "Little Jewel," is in Italy, which as everyone knows is untrue: it is in Switzerland.
2. Logos is a public relations consultant to Swissair and not a travel agent. It does not give travel advice.
3. Among Swissair packages in Switzerland are Fantaski offers giving half-board per person in double room, including ski lifts/ski lessons for seven nights. The expensive ones are:

	Swiss Franc	about US\$
1. Crans-Montana	782	320
2. Films	865	350
3. Gstaad	920	375
4. Leysin	695	285
5. St. Moritz	843	345
6. Villars	776	315

(Israeli clients have to add local taxes to these amounts).

4. El-Al fares are not an exclusive;

Swissair to Zurich-Geneva-Basel and others in central Europe:

	US\$	US\$
1. Group 21 days	279+8	287
2. Group 30 days	350+14	364
	same as El-Al	
3. YEAS	517	

(No 15% to add to airline tickets). 5. Last winter 83-84, International in Jerusalem produced its own pamphlets, including air fares based on Swissair's Fantaski. Perhaps this year they did the same. Depending on which air ticket one uses, our prices compare favourably.

Using the lower air fare, our calculation is even cheaper:

e.g.: Meiringen – 4-star hotel package for seven nights:	SFR 559 – +/– US\$230
	ticket
	US\$517

Lenzerheide – 4-star hotel package for seven nights:

SFR 710 – +/– US\$290
ticket
US\$577

DAVID ESHKOL

Logos – Mass Communication

Tel Aviv.

WHO DOES SHARON REPRESENT?

To the Editor of The Jerusalem Post Sir, – Peter Goldman of American Friends for a Safe Israel should not be so quick in assuming that Ariel Sharon is "representing all of us who care for Israel" in his libel suit against Time (November 30).

Sharon does not represent me nor countless other people who love Israel enough to come and live here. Quite to the contrary, Mr. Sharon's image of a loud bully who swaggers across the stage of Israeli politics with threatening aggressiveness is the very last I would choose to represent Israel or the Jewish people. If anything, he makes me feel shame because the things he stands for can bring disaster to Israel and a distortion of Jewish values.

If Peter Goldman and his friends are such strong supporters of Sharon and what he stands for I have a suggestion for them. Let them volunteer for a stint of Israeli military service in Lebanon.

RABBI DR. CHAIM PEARL
Jerusalem.

To the Editor of The Jerusalem Post Sir, – I refer to your article of November 30, citing Manhattan District Attorney Robert Morgenthau's testimony on Sharon's honesty.

Apparently Sharon's lawyer has produced a prominent American citizen, residing in New York City as a character witness to testify that Sharon "had a reputation for honesty and integrity."

I think the Court should also hear a prominent Israeli citizen, much better qualified as an American citizen as a character witness. I am thinking for instance of General (Res.) Motta Gur, who from many

years of working with Sharon in Israel's military establishment, knows the man inside out, and has very recently and quite officially called Sharon a disease (cholera). How is that for a character witness's opinion? In this connection, the attorneys of Time Magazine might be well advised to organize an opinion poll in Israel. I am convinced that the majority of those polled would wholeheartedly share General Gur's opinion.

W. S. PERRY

Rehovot.

HABONIM'S REUNION

To the Editor of The Jerusalem Post Sir, – North American Habonim is celebrating its 50th anniversary this year. Among the various Jubilee events, a gala reunion will be held during July, 1985, with former members from the U.S. and Canada, who will be coming to Israel to mark the occasion. All former members of Habonim, Young Pioneers, Gordinia, Hechalutz Hatzit, and Dror are requested to send us their names and addresses, as well as the years they were in the movement. All former campers and staff of Camp Krutza are invited to attend, participants in a Habonim institute or workshop. We would like to see all of you at the Jubilee, so send the information (full name, former name if changed, address, years participated) to: Habonim Jubilee Committee, c/o Habonim-Dror, 25 Iba Gavirol St., Jerusalem.

HAROLD WARSHAWSKY,
Chairperson.

Jerusalem.

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Handwritten signature: J. P. Cohen